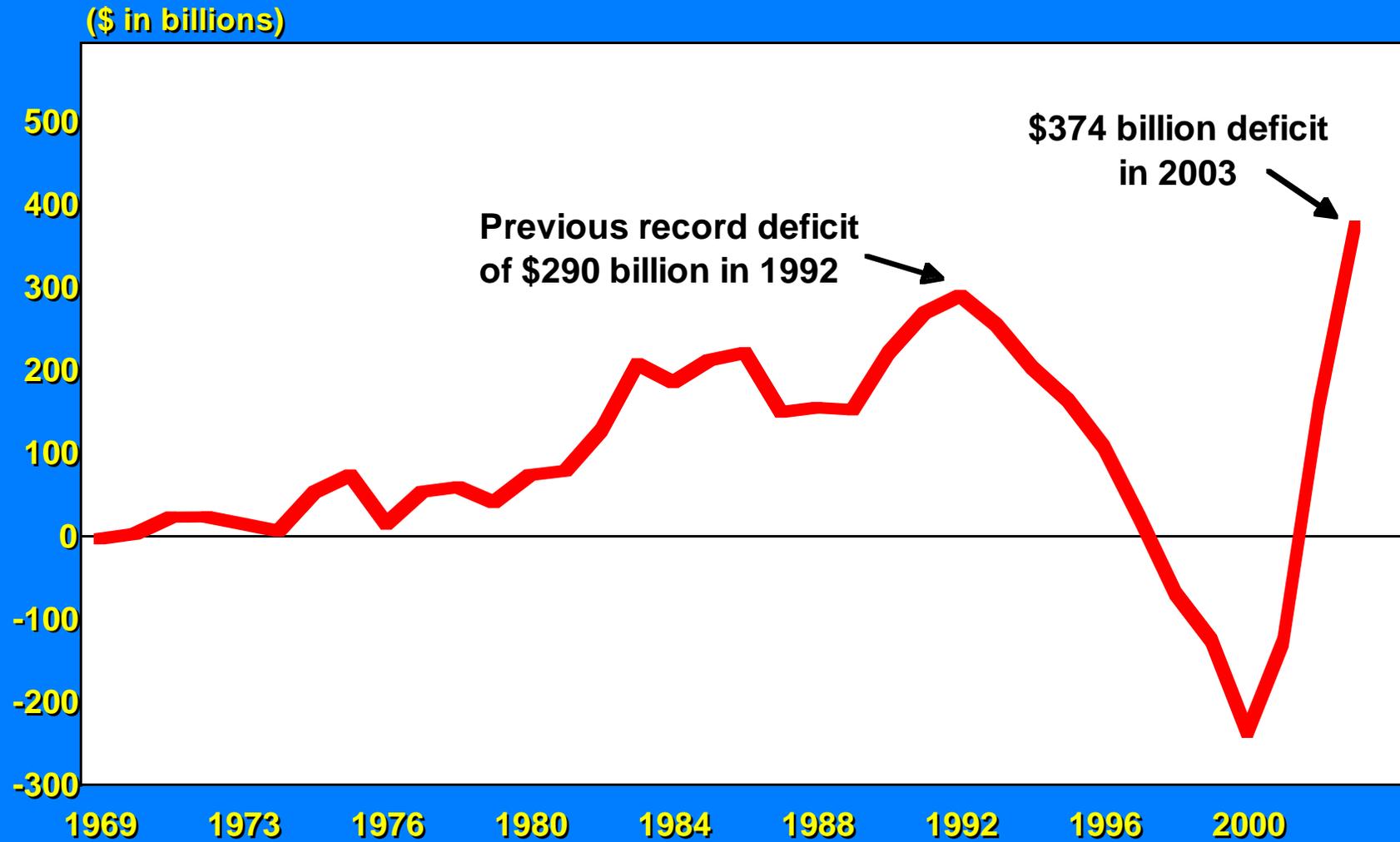


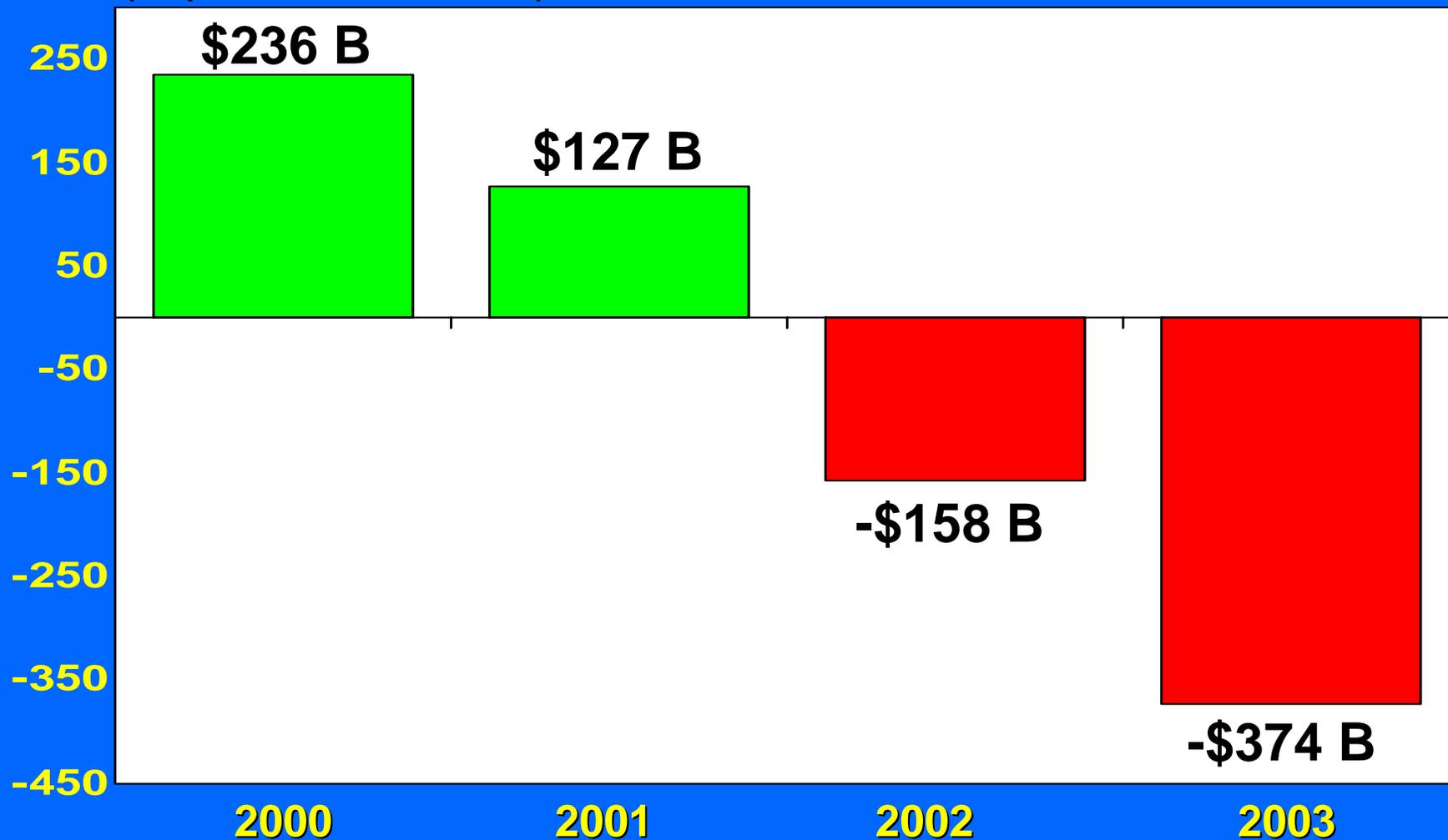
2003 Deficit Far Exceeds Previous Record in Dollar Terms



Source: OMB

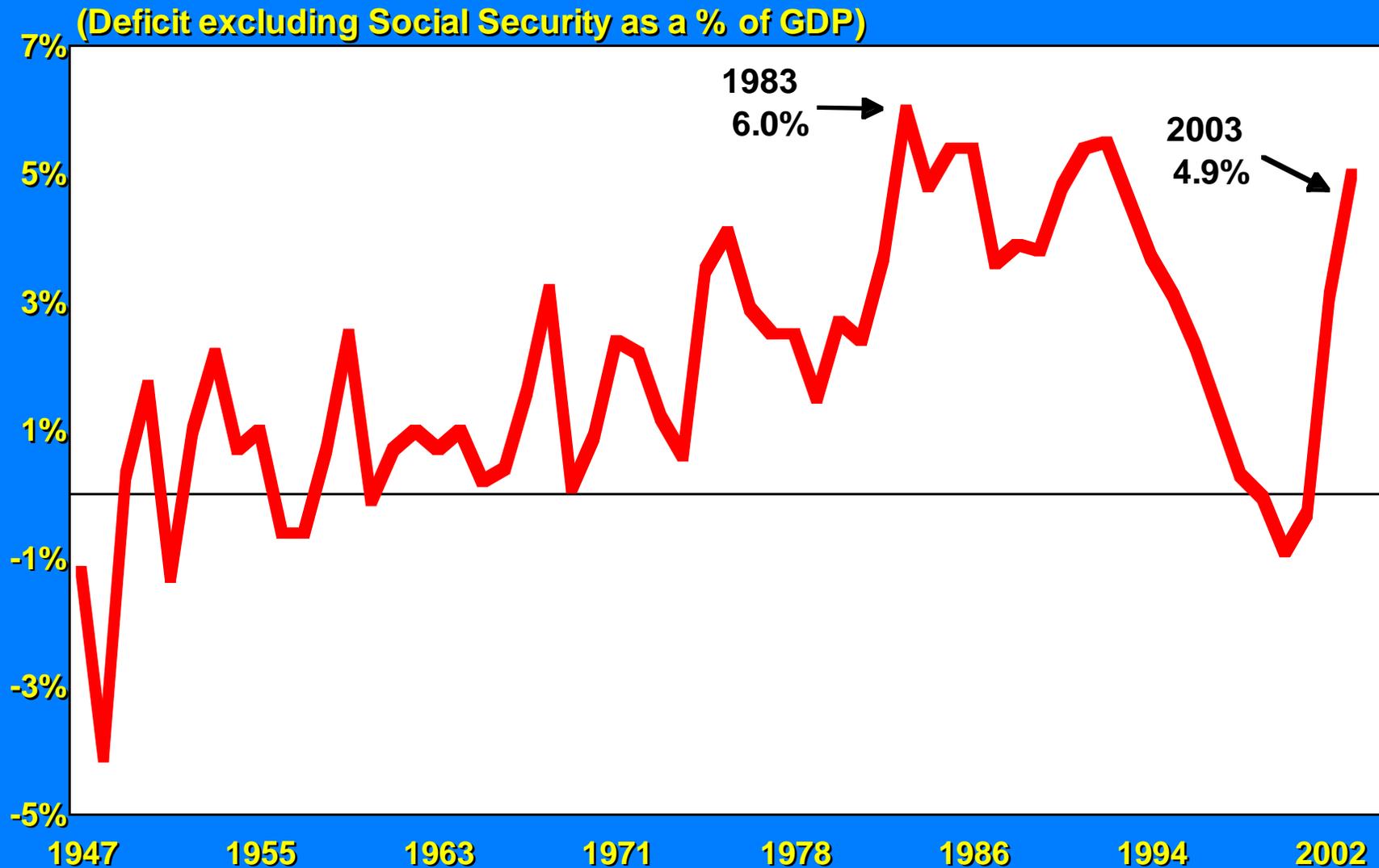
President Bush Takes Us From Biggest Surplus to Biggest Deficit in Three Years

(Surplus/deficit, \$ in billions)



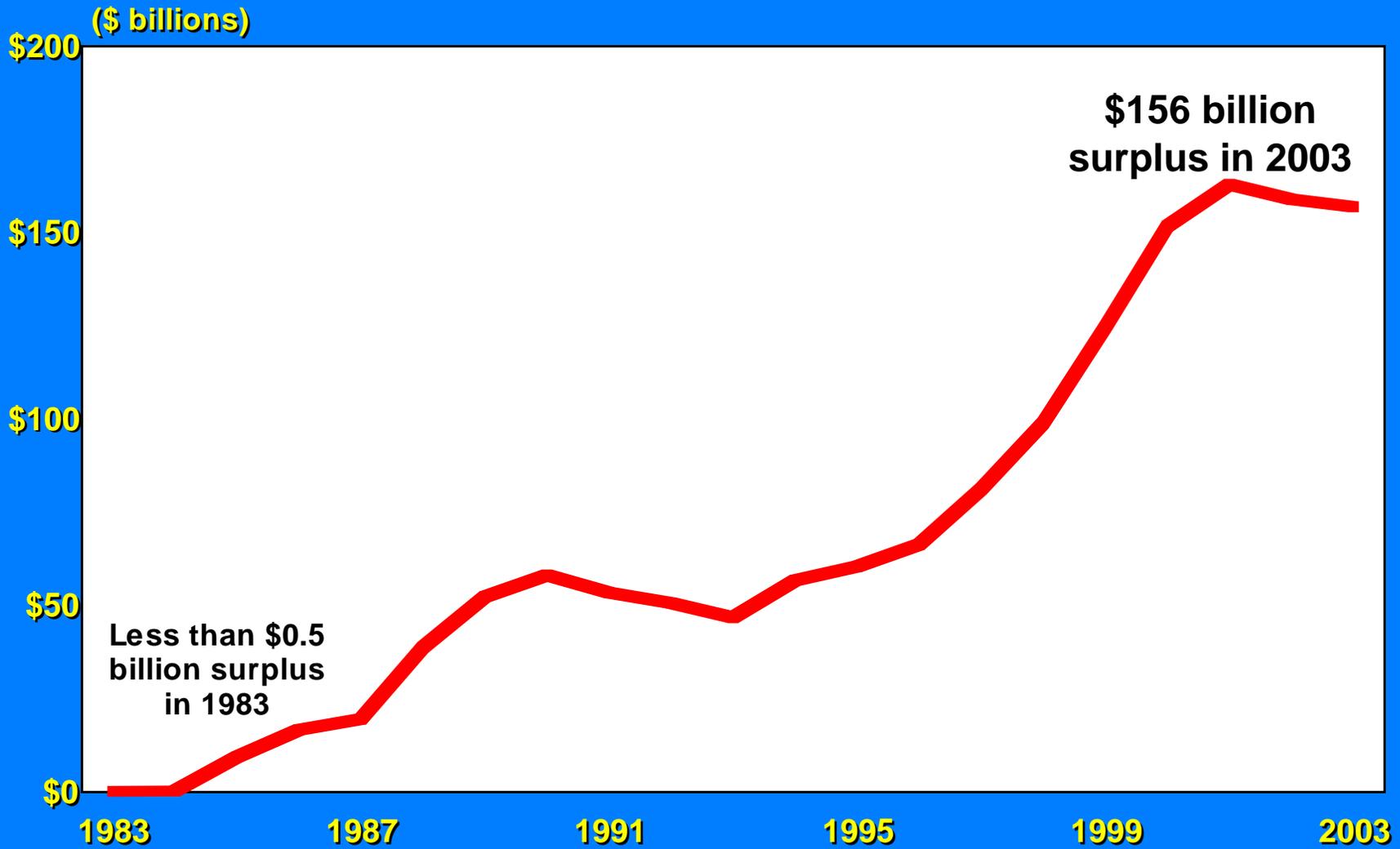
Source: OMB

2003 Deficit As a Share of Economy Approaches Highest Level Since End of World War II



Source: OMB

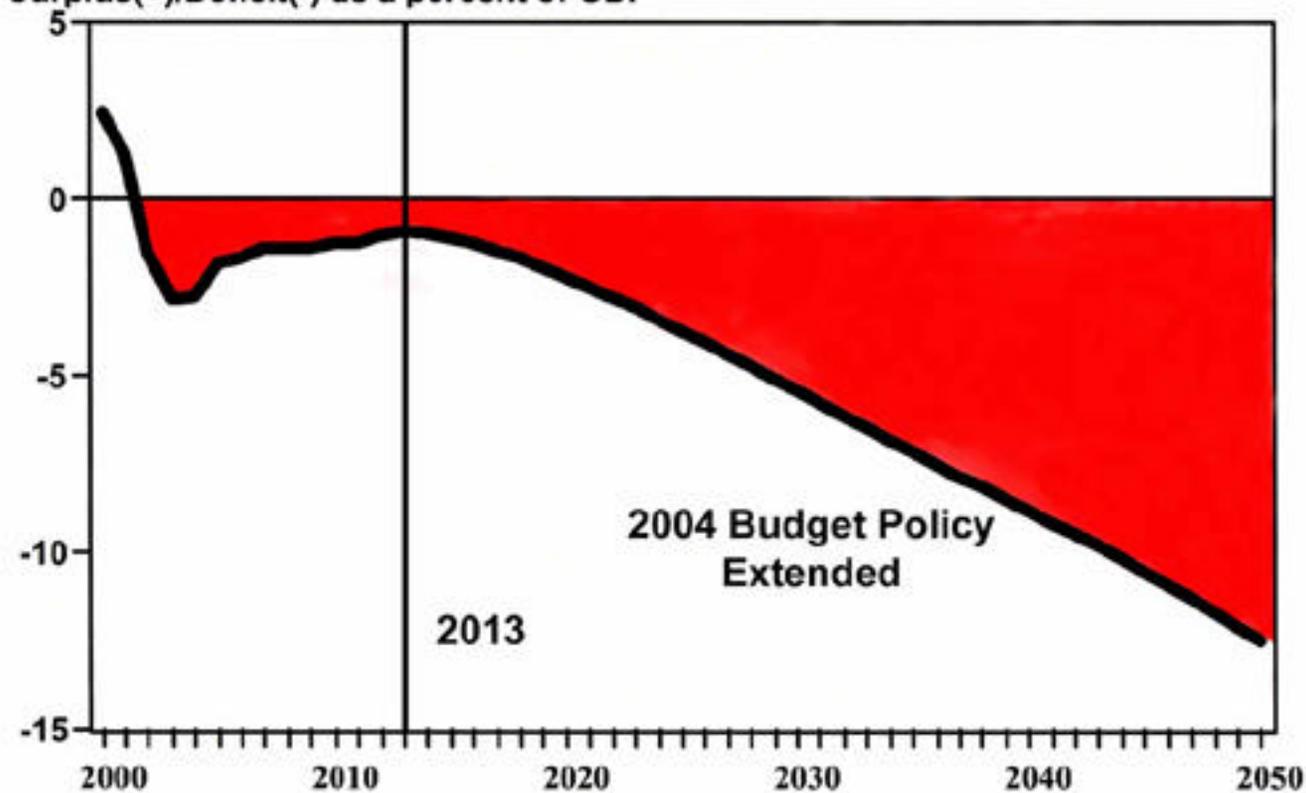
Social Security Surplus



Source: OMB

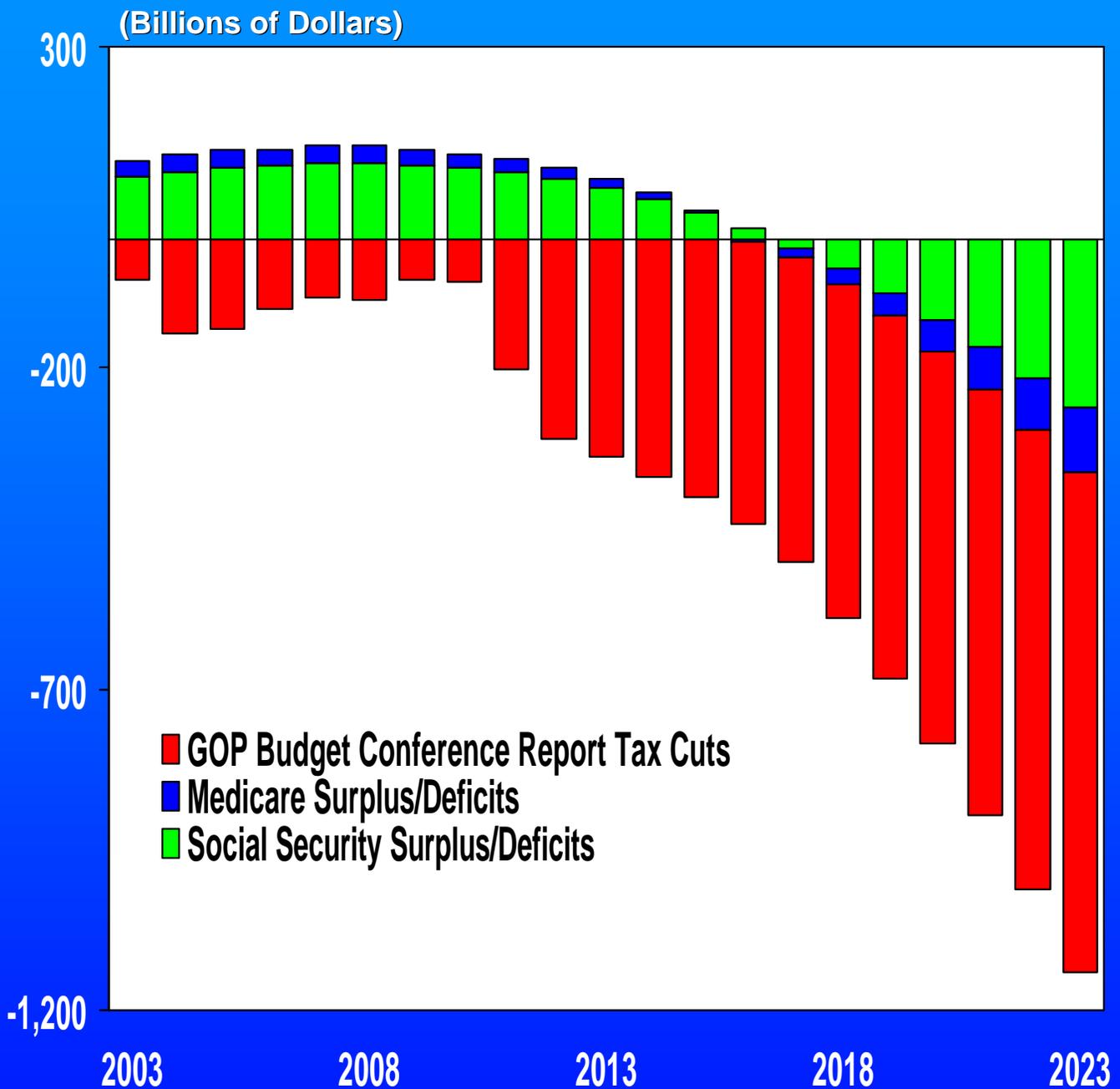
The Next Ten Years: The Budget "Sweet" Spot

Surplus(+)/Deficit(-) as a percent of GDP



Source: President's Budget for FY 2004, Analytical Perspectives, p. 43.

Tax Cuts Explode as Trust Fund Cash Surpluses Become Deficits FY 2003-2023



Source: 2002 Trustees Report, CBO, and Senate Budget Committee Staff
Note: Tax cut includes associated interest costs.

GAO Comptroller General Walker Believes Deficits Matter

“The ‘bottom line’ is, there is little question that deficits do matter, especially if they are large, structural and recurring in nature. In addition, our projected budget deficits are not ‘manageable’ without significant changes in ‘status quo’ programs, policies, processes and operations.”

**–GAO Comptroller General David M. Walker
Speech to the National Press Club
September 17, 2003**